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## CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION (Unaudited)
**for the six months ended June 30, 1975**

*with comparative figures for the six months ended June 30, 1974*
*(expressed in Canadian currency)*

| | Six Months Ended June 30, 1975 (in thousands) | 1974* |
|---|---|---|
| FINANCIAL RESOURCES WERE PROVIDED BY: | | |
| Earnings before extraordinary items | $ 5,650 | $31,317 |
| Add (deduct) items not involving an outlay of working capital: | | |
| Depreciation, depletion and amortization | 4,576 | 3,870 |
| Deferred income and mining taxes | 274 | 2,639 |
| Equity in earnings of associated companies in excess of dividends received | (736) | (12,768) |
| Minority interests in earnings (loss) of subsidiaries | (112) | 4,123 |
| Other | 578 | (224) |
| Total from operations before extraordinary items | 10,230 | 28,957 |
| Purchase of remaining 50% interest in Placer Exploration Limited, after a payment of $4,943,000 in late 1974 (net of working capital of $7,871,000) | 1,244 | — |
| Extraordinary items affecting working capital | 5,700 | 1,486 |
| | 17,174 | 30,443 |
| FINANCIAL RESOURCES WERE USED FOR: | | |
| Dividends to — | | |
| Shareholders of the Company | 7,213 | 7,211 |
| Minority interests in subsidiary | — | 1,642 |
| Plant, buildings and equipment | 4,871 | 5,229 |
| | 12,084 | 14,082 |
| Increase in working capital | 5,090 | 16,361 |
| Working capital, beginning of period | 59,225 | 49,098 |
| Working capital, end of period | $64,315 | $65,459 |

*Restated for comparative purposes primarily to reflect royalty and tax legislation in effect at the 1974 fiscal year-end.

*Approved on behalf of the Board*

R. G. Duthie, Director

T. H. McClelland, Director

PLACER DEVELOPMENT LIMITED

**Second Interim Report**
**To June 30, 1975**

## TO THE SHAREHOLDERS
## PLACER DEVELOPMENT LIMITED:

Consolidated net earnings for the six months ended June 30, 1975 were $12,177,000 or $1.01 per share including extraordinary items of $6,527,000 or $0.54 per share. In the comparable period for 1974 consolidated net earnings were $34,019,000 or $2.83 per share including extraordinary items of $2,702,000 or $0.22 per share.

The significant decline in earnings resulted primarily from depressed metal markets and prices. An additional factor was taxes, which did not decline at the same rate as earnings because of the punitive policies applied by federal and provincial governments to Canada's mining industry.

Development of the McDermitt Mine (51% owned) in Nevada was completed on schedule and production of mercury commenced in June.

President

Vancouver, B.C.
July 23, 1975

## CONSOLIDATED STATEMENT OF EARNINGS (Unaudited)
## for the quarter and the six months ended June 30, 1975

*with comparative figures for the six months ended June 30, 1974*
*(expressed in Canadian currency)*

| | *Three Months Ended June 30,* 1975 | *Six Months Ended June 30,* 1975* | 1974** |
|---|---|---|---|
| | | (in thousands) | |
| REVENUES: | | | |
| Sales | $29,328 | $53,631 | $47,213 |
| Interest and other income | 1,768 | 3,076 | 4,331 |
| | 31,096 | 56,707 | 51,544 |
| EXPENSES: | | | |
| Cost of sales | 21,581 | 38,311 | 18,246 |
| Depreciation, depletion and amortization | 2,348 | 4,576 | 3,870 |
| Selling, general and administrative | 2,288 | 4,337 | 2,172 |
| Exploration | 2,850 | 5,145 | 2,879 |
| | 29,067 | 52,369 | 27,167 |
| | 2,029 | 4,338 | 24,377 |
| Provincial mineral royalties | 834 | 1,365 | 620 |
| Income and mining taxes | 1,314 | 3,090 | 7,065 |
| | 2,148 | 4,455 | 7,685 |
| Earnings (loss) before the following | (119) | (117) | 16,692 |
| Equity in earnings of associated companies — net of withholding taxes of $110,000, $347,000 and $5,036,000 respectively for the three periods shown | 2,349 | 5,655 | 18,748 |
| Minority interests in loss (earnings) of subsidiaries | 124 | 112 | (4,123) |
| | 2,473 | 5,767 | 14,625 |
| Earnings before extraordinary items | 2,354 | 5,650 | 31,317 |
| EXTRAORDINARY ITEMS: | | | |
| Gain on sale of Placer Prospecting (Australia) Pty. Limited | — | 5,700 | — |
| Income tax reduction arising from the application of prior years' exploration and other costs | — | 827 | 1,216 |
| Amount received from the sale of option rights | — | — | 1,486 |
| | — | 6,527 | 2,702 |
| NET EARNINGS | $ 2,354 | $12,177 | $34,019 |
| Earnings per share: | | | |
| Before extraordinary items | $0.20 | $0.47 | $2.61 |
| Net Earnings | $0.20 | $1.01 | $2.83 |
| Dividends per share | $0.30 | $0.60 | $0.60 |

**Commencing in 1975 the results of Australian operations are fully consolidated. A substantial portion of sales and expenses are attributable to these operations.*
***Restated for comparative purposes primarily to reflect royalty and tax legislation in effect at the 1974 fiscal year-end.*

## CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION (Unaudited)

| | Six Months Ended June 30, 1978 (in thousands) | 1977 |
|---|---|---|
| FINANCIAL RESOURCES WERE PROVIDED BY: | | |
| Net earnings | $10,532 | $11,111 |
| Add (deduct) items not involving working capital — | | |
| Depreciation and depletion | 7,100 | 6,943 |
| Unrealized exchange loss on long-term debt | 867 | — |
| Unproductive oil and gas properties expensed | 345 | 1,011 |
| Deferred income and resource taxes | (277) | 1,566 |
| Equity in after-tax earnings of associated companies in excess of dividends received | (1,496) | — |
| Minority interest in (loss) earnings of subsidiaries | (197) | 531 |
| Total from operations | 16,874 | 21,162 |
| Long-term debt | 15,706 | 3,516 |
| Dividends received from associated companies in excess of equity in after-tax earnings | — | 782 |
| Recoverable royalties | 695 | 616 |
| Disposal of property, plant and equipment | 555 | 194 |
| Shares issued | 209 | 199 |
| Other | 69 | 21 |
| | 34,108 | 26,490 |
| FINANCIAL RESOURCES WERE USED FOR: | | |
| Acquisition of companies, net of working capital acquired | 11,709 | 45,863 |
| Other investments | 78 | 1,014 |
| Dividends to — | | |
| Shareholders of the Company | 4,842 | 4,833 |
| Minority interest in subsidiary | — | 962 |
| Buildings and equipment | 2,870 | 4,030 |
| Properties and development | 8,496 | 3,644 |
| | 27,995 | 60,346 |
| INCREASE (DECREASE) IN WORKING CAPITAL | 6,113 | (33,856)* |
| WORKING CAPITAL, BEGINNING OF PERIOD | 69,834 | 72,209 |
| WORKING CAPITAL, END OF PERIOD | $75,947 | $38,353 |

* The purchase of Canadian Export Gas and Oil Ltd. was originally made using a current bank loan, of which, U.S. $30,000,000 was refinanced on a long-term basis in August, 1977.

*Approved by the Board:*

R.G. DUTHIE, *Director*

T.H. McCLELLAND, *Director*

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**PLACER DEVELOPMENT LIMITED**

**Second Interim Report**
**June 30, 1978**

**TO THE SHAREHOLDERS**
**PLACER DEVELOPMENT LIMITED:**

Consolidated net earnings for the six months ended June 30, 1978 were $10,532,000 or $0.87 per share compared to $11,111,000 or $0.92 per share in the comparable period of 1977.

The decrease was principally due to reduced earnings by Gibraltar where the average grade of ore milled is lower than in the comparable period.

Operations at Gibraltar have been suspended since May 26 due to a labour dispute. Occasional secondary picketing has occurred at Endako and Craigmont without significant effect on the Company's earnings.

Molybdenum continues to be the principal contributor to the Company's earnings. Increases in the price during 1978 were mainly offset, however, by lower production and the higher income taxes to which a mature mine such as Endako becomes subject when less depletion allowance is available to it.

R.G. Duthie
President

Vancouver, B.C.
July 24, 1978

## CONSOLIDATED STATEMENT OF EARNINGS (Unaudited)

| | *Three Months Ended June 30, 1978* | *Six Months Ended June 30, 1978* | *Six Months Ended June 30, 1977* |
|---|---|---|---|
| | | *(in thousands)* | |
| REVENUES: | | | |
| Sales | $48,721 | $89,031 | $82,684 |
| Interest and other income | 2,039 | 3,945 | 4,187 |
| | 50,760 | 92,976 | 86,871 |
| EXPENSES: | | | |
| Cost of sales | 31,911 | 57,335 | 51,862 |
| Depreciation and depletion | 3,779 | 7,100 | 6,943 |
| Selling, general and administrative | 3,428 | 6,199 | 5,610 |
| Interest — includes exchange (gain) loss of ($480,000), $975,000 and $663,000 | 1,009 | 3,585 | 2,561 |
| Exploration | 3,047 | 5,458 | 4,724 |
| | 43,174 | 79,677 | 71,700 |
| | 7,586 | 13,299 | 15,171 |
| Income and resource taxes | 4,093 | 7,743 | 7,361 |
| Earnings before the following | 3,493 | 5,556 | 7,810 |
| Equity in after-tax earnings of associated companies | 3,303 | 4,779 | 3,832 |
| Minority interest in loss (earnings) of subsidiaries | 28 | 197 | (531) |
| NET EARNINGS | $ 6,824 | $10,532 | $11,111 |
| Per share — earnings | $ 0.56 | $ 0.87 | $ 0.92 |
| dividends | $ 0.20 | $ 0.40 | $ 0.40 |

## CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION (Unaudited)

| | *Six Months Ended June 30, 1980* | *1979* |
|---|---|---|
| | *(in thousands)* | |
| FINANCIAL RESOURCES WERE PROVIDED BY: | | |
| Earnings before extraordinary items | $49,343 | $36,424 |
| Add (deduct) items not involving working capital— | | |
| Depreciation and depletion | 10,049 | 8,054 |
| Deferred income and resource taxes | 2,811 | 4,312 |
| Unrealized exchange loss on long-term debt | 280 | 665 |
| Unproductive oil and gas properties expensed | 5,197 | 699 |
| Equity in after-tax earnings of associated companies in excess of dividends received | (12,749) | (3,838) |
| Minority interests in earnings of subsidiaries | 5,655 | 1,910 |
| Total from operations | 60,586 | 48,226 |
| Proceeds of long-term debt | 73,296 | — |
| Disposal of investment in Northern Cattle Company | 8,777 | — |
| Disposal of property, plant and equipment | 544 | 965 |
| Other | 54 | (313) |
| | 143,257 | 48,878 |
| FINANCIAL RESOURCES WERE USED FOR: | | |
| Investment in Zinor Holdings Limited | 34,510 | — |
| Buildings and equipment | 53,225 | 13,457 |
| Properties and development | 14,512 | 12,711 |
| Dividends to — | | |
| Shareholders of the Company | 10,635 | 6,058 |
| Minority interests in subsidiary | 4,810 | — |
| Reduction in long-term debt | 6,854 | 6,282 |
| Other investments | 5,175 | 978 |
| | 129,721 | 39,486 |
| INCREASE IN WORKING CAPITAL | 13,536 | 9,392 |
| WORKING CAPITAL, BEGINNING OF PERIOD | 50,045 | 60,987 |
| WORKING CAPITAL, END OF PERIOD | $63,581 | $70,379 |

Approved by the Board:
T. H. McClelland, Director
R. G. Duthie, Director

PLACER DEVELOPMENT LIMITED

**Second Interim Report**
**June 30, 1980**

**TO THE SHAREHOLDERS**
**PLACER DEVELOPMENT LIMITED:**

Consolidated earnings for the six months ended June 30, 1980 were $49,343,000 or $1.39 per share before an extraordinary gain of $8,068,000. This compares with $36,424,000 or $1.00 per share for the same period a year ago before an extraordinary gain of $38,588,000. Including the extraordinary gains, consolidated net earnings in the two periods were $57,411,000 or $1.62 per share and $75,012,000 or $2.06 per share respectively.

The improvement before the extraordinary gain reflects the inclusion of our 7.7% interest in Noranda's earnings and increases in the earnings of Gibraltar and Endako resulting from increased production and higher prices. Factors partially offsetting the above include write downs on Australian long-term manufacturing contracts, interest expense on increased borrowings and reduced earnings by Marcopper and Craigmont as a result of lower grades of ore.

The extraordinary gain of $8,068,000 arises from the sale of our 50% interest in Northern Cattle Company Pty. Limited of Australia.

At the Equity Silver mine, production of an unleached concentrate is anticipated in late August and production of a leached concentrate, in the first quarter of 1981.

Plant site excavation and erection of construction camp and office have started at the 34%-owned Real de Angeles silver/lead/zinc mine in Mexico. Plant design is underway and negotiations for financing the U.S. $150,000,000 project are in the final stages.

R.G. Duthie
President

Vancouver, B.C.
July 24, 1980

**CONSOLIDATED STATEMENT OF EARNINGS** (Unaudited)

| | *Three Months Ended June 30, 1980* | *Six Months Ended June 30, 1980* | *Six Months Ended June 30, 1979* |
|---|---|---|---|
| | *(in thousands)* | | |
| REVENUES: | | | |
| Sales | $ 96,275 | $174,208 | $134,936 |
| Interest and other income | 4,805 | 6,742 | 7,855 |
| | 101,080 | 180,950 | 142,791 |
| EXPENSES: | | | |
| Cost of sales | 36,936 | 59,943 | 53,825 |
| Depreciation and depletion | 5,067 | 10,049 | 8,054 |
| Selling, general and administrative | 5,116 | 9,574 | 7,770 |
| Interest and exchange loss | 5,941 | 10,668 | 4,155 |
| Exploration | 5,760 | 11,428 | 5,929 |
| | 58,820 | 101,662 | 79,733 |
| Earnings before taxes and other items | 42,260 | 79,288 | 63,058 |
| Income and resource taxes | 22,839 | 43,404 | 33,829 |
| Earnings before the following | 19,421 | 35,884 | 29,229 |
| Equity in after-tax earnings of associated companies | 7,593 | 19,114 | 9,105 |
| Minority interests in earnings of subsidiaries | (2,972) | (5,655) | (1,910) |
| Earnings before extraordinary items | 24,042 | 49,343 | 36,424 |
| Gain on sale of Northern Cattle Company Pty. Limited* | 6,899 | 8,068 | — |
| Gain on exchange of Mattagami for Noranda shares | — | — | 38,588 |
| NET EARNINGS | $ 30,941 | $ 57,411 | $ 75,012 |
| Average shares outstanding (net) | 35,509 | 35,509 | 36,346 |
| Per share ** —earnings before extraordinary items | $ 0.68 | $ 1.39 | $ 1.00 |
| —net earnings | $ 0.87 | $ 1.62 | $ 2.06 |
| —dividends | $ 0.15 | $ 0.30 | $ 0.17 |

*A previously recorded portion of the gain of $1,169,000 was reclassified from equity in after-tax earnings of associated companies.

**Reflects a three-for-one share split on May 22, 1980.

## CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

**for the six months ended June 30, 1973**

*(with comparative figures for the six months ended June 30, 1972)*
*(expressed in Canadian currency)*

| | Six Months Ended June 30, 1973 | 1972* |
|---|---|---|
| Financial resources were provided by: | | |
| Earnings for the period before extraordinary items | $23,436,000 | $ 5,263,000 |
| Add — | | |
| Charges to operations not involving an outlay of working capital: | | |
| Depreciation, amortization and depletion | 4,998,000 | 3,424,000 |
| Minority interest in net earnings | 6,221,000 | 692,000 |
| Equity in earnings of associated companies | (10,081,000) | (5,294,000) |
| Other items | 1,054,000 | 339,000 |
| Total from operations before extraordinary items | 25,628,000 | 4,424,000 |
| Extraordinary items affecting working capital | 9,165,000 | 1,832,000 |
| Dividends received | 5,014,000 | 5,532,000 |
| Other items | 473,000 | 2,098,000 |
| | 40,280,000 | 13,886,000 |
| Financial resources were used for: | | |
| Dividends paid | 4,790,000 | 2,093,000 |
| Repayment (increase) in long term debt — net | 18,691,000 | (6,684,000) |
| Decrease (increase) in minority interest in subsidiaries | 1,590,000 | (2,059,000) |
| Net additions, (deletions) to fixed assets | (1,489,000) | 9,608,000 |
| Preproduction, exploration and development expenses | (30,000) | 2,279,000 |
| | 23,552,000 | 5,237,000 |
| Increase in working capital | 16,728,000 | 8,649,000 |
| Working capital at beginning of period | 27,043,000 | 16,634,000 |
| Working capital at end of period | $43,771,000 | $25,283,000 |

*Restated for comparative purposes.

The above figures are unaudited and subject to year-end adjustments.



LITHOGRAPHED IN CANADA

**Second Interim Report**
**To June 30, 1973**

**PLACER DEVELOPMENT LIMITED**

## TO THE SHAREHOLDERS
## PLACER DEVELOPMENT LIMITED:

Consolidated net earnings for the six months ended June 30, 1973 were $32,601,000 or $2.72 per share, including extraordinary credits amounting to $9,165,000 or $0.77 per share. Comparable figures for the same period in 1972 were $7,095,000 or $0.59 per share, including extraordinary credits of $1,832,000 or $0.15 per share.

The most important contribution to Placer's earnings was made by Gibraltar (71% owned) whose net earnings of $20,959,000 for the six-month period ended June 30, 1973 reflect the current high prices received for copper concentrate. Similarly, the earnings of a number of affiliates have been favourably influenced by higher metal prices.

In addition, earnings were improved by the gain on the sale of Placer's interests in New Guinea and the assignment of the exploration and development agreement with Afton Mines Ltd. (N.P.L.).

Yours truly,

President.

Vancouver, B.C.
July 18, 1973.

## CONSOLIDATED STATEMENT OF EARNINGS
### for the quarter and the six months ended June 30, 1973

*(with comparative figures for the six months ended June 30, 1972)*
*(expressed in Canadian currency)*

| | Three Months Ended June 30, 1973 | Six Months Ended June 30, 1973 | Six Months Ended June 30, 1972* |
|---|---|---|---|
| REVENUE: | | | |
| Sales | $33,209,000 | $58,547,000 | $19,337,000 |
| Interest and other income | 1,080,000 | 1,728,000 | 1,393,000 |
| | 34,289,000 | 60,275,000 | 20,730,000 |
| EXPENSE: | | | |
| Cost of sales (includes a provision for depreciation of $2,007,000, $4,259,000 and $2,747,000 respectively for the three periods shown) | 13,926,000 | 27,536,000 | 11,583,000 |
| Administration, marketing and general expenses | 1,063,000 | 2,434,000 | 2,018,000 |
| Foreign exchange (gain), loss | (1,016,000) | (854,000) | 311,000 |
| Interest expense | 1,021,000 | 2,085,000 | 1,103,000 |
| Depletion and amortization of preproduction and development expenses | 355,000 | 739,000 | 677,000 |
| Exploration expense | 1,800,000 | 3,115,000 | 2,528,000 |
| Minority interest in earnings of subsidiaries | 4,121,000 | 6,221,000 | 692,000 |
| | 21,270,000 | 41,276,000 | 18,912,000 |
| Earnings before the following | 13,019,000 | 18,999,000 | 1,818,000 |
| Equity in earnings of associated companies | 6,737,000 | 10,081,000 | 5,294,000 |
| Earnings before income taxes and extraordinary items | 19,756,000 | 29,080,000 | 7,112,000 |
| Income taxes | 3,354,000 | 5,644,000 | 1,849,000 |
| Earnings before extraordinary items | 16,402,000 | 23,436,000 | 5,263,000 |
| EXTRAORDINARY ITEMS: | | | |
| Credit arising from application of prior years' exploration expenses against current taxable income | 1,743,000 | 2,290,000 | 324,000 |
| Amount received from the sale of option rights | 1,044,000 | 1,824,000 | 1,508,000 |
| Gain on the sale of properties (net of $1,651,000 income taxes) | 5,051,000 | 5,051,000 | — |
| | 7,838,000 | 9,165,000 | 1,832,000 |
| Net earnings | $24,240,000 | $32,601,000 | $ 7,095,000 |
| Earnings per share (11,989,430 shares net outstanding June 30, 1973 and 11,960,710 June 30, 1972) | | | |
| Before extraordinary items | $1.37 | $1.95 | $0.44 |
| After extraordinary items | $2.02 | $2.72 | $0.59 |

*Restated for comparative purposes.

The above figures are unaudited and subject to year-end adjustments.

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# Placer Development Limited

## Report of Proceedings
and
## Address to Shareholders
at the Annual General Meeting,
May 1, 1973

This report has been prepared for shareholders unable to attend the Annual General Meeting held on May 1, 1973.

The Meeting convened at 12:00 Noon in the Board Room of the Hotel Vancouver, Vancouver, British Columbia, with the President and Chief Executive Officer, Mr. T. H. McClelland, presiding. A total of 3,899,531 shares were represented in person or by proxy, being 65% of the issued shares of the Company.

Directors elected were: Messrs. James C. Dudley, Albert E. Gazzard, J. Douglas Little, Thomas H. McClelland, Alfred Powis, J. Ernest Richardson, William S. Row, P. Ritchie Sandwell, John D. Simpson, Vernon F. Taylor, Jr. and H. Richard Whittall.

Messrs. Price Waterhouse & Co., Chartered Accountants, were appointed Auditors of the Company for the ensuing year.

Mr. McClelland, addressed the Meeting as follows:

"Ladies and gentlemen:

The first quarter of 1973 has brought mixed blessings to your Company and to the British Columbia mining industry. Demand for metals is strong and most prices are at high levels. On the other hand, the influence of government on our industry is beginning to overshadow other more normal problems.

Financial results for the three months ended March 31, 1973 show consolidated net earnings of $8,361,000 or $1.40 per share. This compares with $3,718,000 or 62 cents per share for the same period in 1972. This morning the Board of Directors declared the regular quarterly dividend of 40 cents per share payable June 15. This dividend will be equal to 20 cents per share in terms of the sub-divided share capital.

The improvement in earnings is largely the result of earnings by Gibraltar and of higher copper prices. From a 1972 average of 48½ cents per pound, the price of copper has improved during the last four months and is now in the 60 to 75 cents per pound range. The increase in price reflects concern in an expanding copper market that shortages could develop from the inability of Chile and Zambia, two important copper producers, to meet production targets. Problems in both of these countries are closely related to government action. Some fluctuation in the price of copper is anticipated during the immediate future.

Demand for molybdenum has improved steadily and has reached a level which will sustain full production from the Endako mine. Commencing June 1, the mine is expected to be operating on three shifts, seven days per week, at an annual rate of 15,000,000 pounds of contained molybdenum.

Prices received for molybdic oxide and molybdenite do not yet reflect the increase in consumption but we are hopeful that actual prices will move closer to posted levels in coming months.

The sale of Placer's New Guinea interests has been completed for a total price of approximately $10,000,000 (Canadian), with an estimated net profit to Placer of $2,700,000. In addition, there will be a foreign exchange gain of about $1,500,000. The decision to terminate our inter-

ests in New Guinea was made with deep regret since Placer's first successful venture was in the Bulolo gold dredging operations. It was felt however, that the disposition would be justified in the long term.

As you are all aware, industries, particularly those involved in mineral extraction, have been the subject of much adverse attention from various governments. In Australia, the socialist-oriented labour administration has announced new, stringent controls on foreign investment. These controls restrict mineral exports and it has been indicated, will require at least 50% Australian ownership and Australian management of real estate and mineral rights. Placer and Kaiser Aluminum & Chemical Corporation each hold a 50% share in the Australian company, Placer Exploration Limited. Through this company we have interests in manufacturing, wood products and ranching. The new controls will prevent this company, as it is presently constituted, from expanding these endeavors through acquisition and exploration of mineral prospects and will require at least a reorganization of our activities there.

In Canada, the federal government last year removed many of the tax incentives which had helped to balance the risks inherent in mineral exploration and development. The three-year, tax-free period for new mines will no longer apply after the end of this year, and less favourable depletion allowances will become effective in 1977.

One must concede however, that Ottawa's actions pale beside those of the new government in Victoria. British Columbia appears to have been committed to a social experiment in which industry, investors and wage-earners are the guinea-pigs. During eight months in office, this government has enacted or proposed a wide range of new legislation so rapidly that neither industry nor the public has had a chance to interpret its full effect.

Briefly reviewing the legislation directed at the mineral industry: the government intends to make its approval mandatory for mine development and will increase the cost of holding some types of mineral claims to a level where many will be forced back to Crown control. Key decisions on the fate of multi-million dollar projects will be made by a government minister and appeal of such decisions will be limited. With one of the richest provincial treasuries in Canada, this administration has proposed a variety of taxes and royalties on operating mines. As a result, the mineral industry in British Columbia may win the dubious distinction of being the most highly taxed in Canada within the next few years. In good markets, the additional revenues to meet such taxes may come from higher metal prices; in poor markets, they will almost certainly be paid at the expense of investment in exploration, plant expansion and dividends. A number of companies may be expected to cease operations.

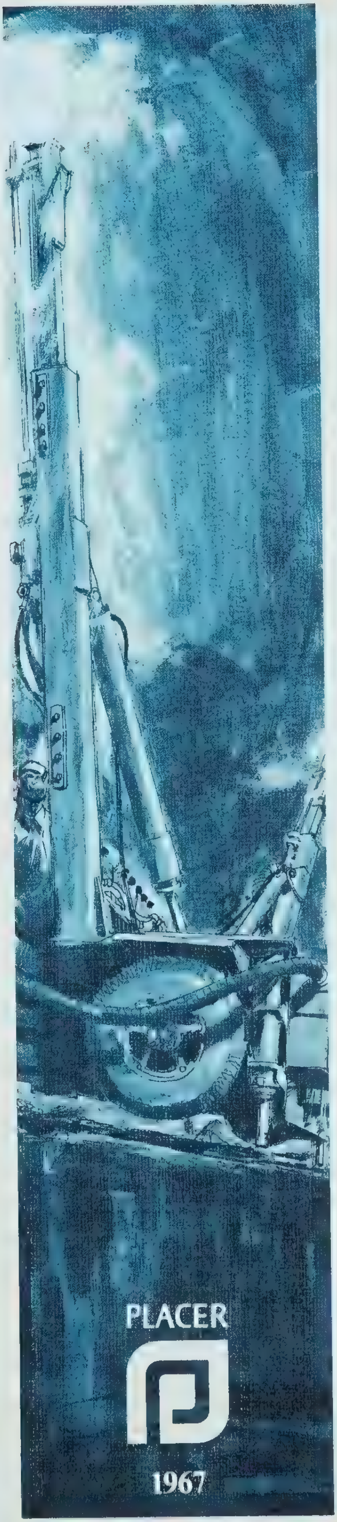
These steps are being taken by the government, not apparently because of need for additional revenue but to satisfy some philosophic desire to penalize the mining industry. The government states that its goal is to increase returns from British Columbia resources to the people

of this province. Yet there is ample evidence of many direct benefits to B.C. citizens from resource development. Let us assess the effect of the Placer group of companies, whose operations in British Columbia provided tax revenues of approximately $4,500,000 to the province and various municipal governments in 1972. This sum represents mining, sales, property and personal income taxes. The 1,650 persons employed by the Placer group in British Columbia earned $13,800,000 in 1972 and spent the greater portion of that in the province. The 2,000 British Columbia residents with shares in Placer received in excess of $2,000,000 in dividends during 1972. The replacement cost of Placer's investment in buildings, machinery and equipment in British Columbia is estimated at $128,000,000 and our exploration expenditures within the province since 1963 were in excess of $19,000,000.

Can there be any doubt that the net effect of this one company on British Columbia has been positive—that through its efforts, resources such as manpower, investment capital and minerals have created jobs and wages and provided governments with substantial tax revenues? Such benefits are multiplied many times by the total business sector which, under fair and impartial laws, would very likely continue to make similar contributions.

By reducing potential returns on investment and thereby increasing the risk; by intruding itself into the decision-making process of mineral development, the government has established a climate of uncertainty that will discourage prudent investors. Your Company, with extensive international experience, is not limited to British Columbia. In order to minimize investment risk, we will proceed with caution until the ground rules governing mining in this province have been fully and finally defined. At the present time, this information is not available and no long-term planning can be undertaken.

I am concerned that the final effect of the government's legislation and announcements may prove more harmful than helpful to the province and its peoples. Some results are already apparent. Oil exploration in the Peace River area of British Columbia has been significantly reduced since the introduction of legislation increasing royalties by close to 100%. The financial press of eastern Canada, New York and London has published critical comment on the government's actions and, not surprisingly, venture capital for this area has now become hard to find. The loss of such confidence must eventually diminish the opportunities for wage and salary earners, the very people who, the government declares, are its first concern."




# Placer Development Limited

## Forty-second Annual Meeting

# Report of proceedings

This brief report has been prepared for the benefit of shareholders who were unable to attend the Annual General Meeting on May 6, 1968.

The meeting convened at 11:00 a.m. in the Board Room of the Hotel Vancouver, Vancouver, British Columbia, with the Chairman of the Board, Mr. J. D. Simpson, presiding. A total of 3,148,706 shares was represented in person or by proxy, being 59% of the issued shares of the Company.

The reports of the Directors and the Auditors and the Financial Statements for the fiscal period ended December 31, 1967 were approved and adopted.

All Directors were re-elected namely: Messrs. J. R. Bradfield, J.C. Dudley, A. E. Gazzard, T. H. McClelland, R. V. Porritt, J. E. Richardson, R. G. Rogers, J. D. Simpson, V. F. Taylor, Jr. and H. R. Whittall.

Messrs. Price, Waterhouse & Co., Chartered Accountants of Vancouver and Messrs. Routley and Routley, Public Accountants of Sydney, Australia were re-appointed Auditors of the Company for the ensuing year.

Mr. T. H. McClelland, President and Chief Executive Officer of the Company, addressed the Meeting as follows:

"Ladies and Gentlemen:

The Annual Report mailed to you a month ago reviewed the operations and results of placer Development Limited and its associated interests for 1967.

The Report covered in detail the activities of your Company for the year and I will not repeat the contents except to point out that the earnings of $11,852,000, or $2.23 per share, were a record for your Company. This high level was due in part to a series of quarterly extra dividends from Craigmont, together with the initiation of dividends from Mattagami Lake Mines Ltd. (N.P.L.). As was expected, Craigmont has paid only the regular 25¢ per share dividend for the two payments made in 1968. Craigmont's cash position remains strong.

For the quarter ended March 31, Placer shows an estimated net profit after all write-offs of $2,706,800, or 51¢ per share, compared to 58¢ for the same quarter last year. Your Company continues to carry out a vig-

*Following the Annual General Meeting the Board of Directors made the following appointments:*

| | |
|---|---|
| Chairman of the Board | J. D. SIMPSON |
| President & Chief Executive Officer | T. H. McCLELLAND |
| Vice-President | A. E. GAZZARD |
| Vice-President — Operations | J. D. LITTLE |
| Assistant Vice-President — Operations | C. L. PILLAR |
| Vice-President — Exploration | E. A. SCHOLZ |
| Comptroller | J. C. TARBUCK |
| Secretary | J. L. McPHERSON |
| Treasurer | J. R. CROLL |
| Assistant Secretary | J. M. McCONVILLE |
| Assistant Treasurer | G. S. JONES |
| Sydney Secretary | A. R. EDWARDS |

## CONSOLIDATED STATEMENT OF INCOME

For the Quarter Ended March 31, 1968

(*With Comparative Figures for the Quarter Ended March 31, 1967*)

| | Quarter Ended March 31, 1968 | Quarter Ended March 31, 1967 |
|---|---|---|
| Revenue: | | |
| From concentrate and other products | $10,278,000 | $10,000,000 |
| Income from investments in other companies | 1,207,000 | 1,627,000 |
| Interest earned and other income | 349,000 | 240,000 |
| | $11,834,000 | $11,867,000 |
| Expense: | | |
| Cost of concentrate production and other products sold | 5,402,000 | 4,847,000 |
| Administrative, selling and general expenses | 934,000 | 926,000 |
| Interest on bank loans | 103,000 | 101,000 |
| Depreciation and depletion | 870,000 | 856,000 |
| Preproduction and development expenses written off | 348,000 | 299,000 |
| Exploration expenses | 900,000 | 1,135,000 |
| Taxes on income | 64,000 | 47,000 |
| Minority interest in earnings of Endako Mines Ltd. (N.P.L.) | 506,000 | 565,000 |
| | 9,127,000 | 8,776,000 |
| Net Profit | $ 2,707,000 | $ 3,091,000 |
| Earnings Per Share | $0.51 | $0.58 |

5,330,637 shares (net) outstanding March 31, 1968
(5,302,397 at March 31, 1967)

*The above figures are subject to year-end audit and adjustments.*

orous world-wide exploration program and included in the write-offs is an amount of $900,000 for exploration.

As you are no doubt aware, a 25¢ dividend from Craigmont means a little over 10¢ per share of Placer. It is apparent therefore that the reduction from last year's earnings can be attributed to the discontinuance of extra quarterly dividends on the part of Craigmont.

Endako in reporting on its first quarter's results in 1968, showed a net profit after write-offs of $2,900,000, or 37¢ per share. This is equal to 44¢ a share of Placer.

Marcopper Mining Corporation reports that preliminary work is progressing favourably on the dock and road facilities. When completed it will be possible to bring in the equipment to start overburden removal and construction of plant facilities. Engineering is well advanced. It is scheduled to have the mine operating at 15,000 tons per day by the end of 1969. Placer has a 40% interest in Marcopper and is responsible for supplying technical supervision. Marcopper's property has large reserves and Placer's participation should prove to be a valuable asset.

The construction program at Cortez is on schedule and production should commence about December, 1968.

We have completed a feasibility study on the large, low-grade copper venture in the Western United States and have come to the conclusion that, though large, the grade is too low to make it an economically viable mine at this time. Further exploration expenditures on this property are, at present, being held in abeyance.

Recent legislation approved amendments to the B.C. Mining Tax Act to increase the tax on mining operations from 10% to 15% and to make other changes significantly increasing the tax burden on mining companies in British Columbia. Since the major portion of your Company's assets is represented by shares in B.C. mining companies, the earnings from these investments will be reduced accordingly. The use of mining companies as a target for new and increased taxes fails to recognize the needs of the industry and to make allowance for the contribution the industry makes to the economy of British Columbia and Canada. Other areas of the world

offer geologic conditions equal to or superior to B.C. and in these areas the prime factor in deciding where to search is the economic climate. Taxes and taxing attitudes form a major part of what I refer to as "economic climate".

On matters of labour relations I must advise you of unsettled conditions. The Canadian Electrolytic Zinc Refinery, in which Mattagami holds a 62.5% interest, was struck on April 12. At this date there is no indication of an early settlement.

At Craigmont the two year Collective Agreement with the United Steelworkers of America, which terminated the lengthy strike in 1965-66, expired on April 19 this year. Negotiations for a new contract began in January and despite many meetings with the Union, and the employment of a Provincial Government Conciliation Officer, little progress has been made toward signing a new agreement.

The Collective Agreement at Endako expires June 30 and negotiations for a new agreement have commenced. At this date only one meeting has been held and it is too early to make any predictions. Union demands, however, are higher than those at Craigmont.

The climate of labour relations in the province is very unsettled and negotiations for new contracts in mining and other industries appear to be most difficult. As you no doubt are aware, several large increases have been granted in service industries. These large settlements are the basis of the mine union demands, but if granted would place our industry and your Company above the wage rates paid in the mining industry of the United States, even after giving effect to the settlements made to terminate the recent lengthy strike in the U.S. copper industry. In my opinion, our Canadian mines cannot pay higher wages than U.S. mines and remain competitive in the world markets in which we sell.

Before turning the meeting back to Mr. Simpson, I wish to announce that your Directors at a meeting this morning declared the regular quarterly dividend of 20¢ per share, payable June 14."

The Chairman thanked the Shareholders for attending and the proceedings terminated.

# Placer Development Limited

(Incorporated in British Columbia)

## NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of PLACER DEVELOPMENT LIMITED will be held in the Social Suite, Hotel Vancouver, Vancouver, British Columbia, on Thursday, April 27, 1967 at 11:00 A.M. (Vancouver time) for the purpose of:

1. Receiving and considering the Report of the Directors, the Financial Statements of the Company for the eight month period to December 31, 1966, and the Report of the Auditors.

2. Fixing the number of the Board of Directors at ten members and electing Directors for the ensuing year.

   In accordance with the Articles of Association of the Company all Directors retire at the Annual General Meeting and the following Directors, being eligible, offer themselves for re-election: Messrs. John R. Bradfield, James C. Dudley, Albert E. Gazzard, Thomas H. McClelland, Richard V. Porritt, John D. Simpson, Vernon F. Taylor, Jr. and H. Richard Whittall.

   It is recommended by the Board of Directors that the following persons, having signified their willingness, be elected as Directors to fill the two existing vacancies.

   Mr. J. E. Richardson,
   President and Chief Executive Officer,
   British Columbia Telephone Company

   Mr. R. G. Rogers,
   President and Chief Executive Officer,
   Crown Zellerbach Canada Ltd.

3. Appointing Auditors.

   The Auditors in Vancouver, Messrs. Price Waterhouse & Co., Chartered Accountants, and the auditors in Sydney, Messrs. Routley & Routley, Public Accountants, offer themselves for re-appointment.

4. Conferring a general authority (expiring at the next General Meeting of the Company unless then continued by ordinary resolution) to take or acquire by purchase or otherwise any shares in any other corporation.

5. Transacting such other business as may properly be brought before the Meeting.

Copies of the Reports and Financial Statements to be presented to the Meeting are included in the Annual Report enclosed herewith.

Shareholders who are unable to attend are requested to sign and return the proxy attached to this Notice.

DATED at Vancouver, B.C., this 31st day of March, 1967.

By Order of the Board,

J. L. McPHERSON,

Secretary.

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